

TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1013.
FILED, DECEMBER 19th. 1963.

KEELEY-FRONTIER MINES LIMITED

Full corporate name of Company
Incorporated under The Corporations Act of Ontario
by Letters Patent dated September 10, 1959.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

- (a) change in Board of Directors - see Item 3.
- (b) capital reorganization and issuance of supplementary letters patent - see Schedule "A" annexed hereto.
- (c) underwriting of shares following capital reorganization with offering of rights to shareholders and granting of option to Underwriters to acquire shares not purchased under rights offering.
- (d) change in the head office of the Company to Suite 911, 159 Bay Street.

SCHEDULE "A"

The Company will call a special general meeting of its shareholders at which meeting the shareholders will be asked to consider, and if deemed appropriate, approve, subject to any variations proposed at the meeting, special resolutions respecting the two undernoted matters. For a special resolution to be approved, not less than two-thirds of the votes cast at the meeting must be voted in favour of the special resolution. Unless both special resolutions are approved, neither of the matters covered by either of the two special resolutions will be proceeded with. The two matters covered by the special resolutions and to be voted on by the shareholders are:

(a) The reorganization of the Company's capital by cancelling pro rata 2,316,180 shares of the 4,632,360 shares now issued and subsequently increasing the capital of the Company so that same will consist of 5,000,000 shares without par value of which 2,316,180 shares will be issued and outstanding immediately after the issue of Supplementary Letters Patent effecting such reorganization. The number of shares issued and outstanding will be increased in accordance with shares to be issued as set forth in item 6 of the attached Filing Statement. As incidental to the foregoing reorganization, the name of the Company will be changed to a name suitable to the Provincial Secretary of the Province of Ontario and the Toronto Stock Exchange.

(b) The Underwriting Agreement referred to in item 6

2. Head office address and any other office address.

Head Office: Suite 911, 159 Bay St., Toronto
Mine Office: South Lorrain Township, via
Cobalt, Ontario.

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

PRESENT OFFICERS AND DIRECTORS OF THE COMPANY:

MURDOCH C. MOSHER, President and Director,
168 Sandringham Drive, Toronto, Ontario.
FRANK H. TODD, Vice-President and Director,
3000 Yonge Street, Toronto, Ontario.
W. A. CARTER, P. Eng., Director, 107
Chudleigh Avenue, Toronto, Ontario.
RUSSELL J. MURPHY, Secretary and Director,
848 Beaufort Street, Oshawa, Ontario.

At the time of the taking up of the underwriting referred to in paragraph 6 hereof, the Board will be reconstituted to consist of the following:

MURRAY WATTS, President and Director, 55
Bayview Ridge Crescent, Toronto, Ontario,
Mining Executive.
MURDOCH C. MOSHER, Vice-President and
Director, 168 Sandringham Drive, Toronto,
Ontario, Prospector.
THOMAS J. DAY, Q.C. Director, 20
Sandringham Drive, Toronto, Ontario, Barrister
and Solicitor.
J. F. McQUAT, Director, 24 Daville Drive,
Toronto, Ontario, Engineer.
FRANK H. TODD, Director, 3000 Yonge Street,
Toronto, Ontario, Retired Insurance Agent.

(It has not yet been established as to whom will be the Secretary-Treasurer of the Company).

4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 5,000,000 shares without par value Issued: 4,632,360 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None - a writ of execution has been filed by The Workmen's Compensation Board of the Province of Ontario claiming some \$10,000. Mechanic's liens have also been filed against the Company's properties claiming some \$2,300.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	On the "effective date", being the day three days after the date upon which shares of the capital stock of the Company as reorganized are called for trading on the Toronto Stock Exchange and the Canadian Stock Exchange, Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario, acting on behalf of its clients, will purchase and pay for 1,000,000 new or reorganized shares of the Company at 25¢ per share. The Company has agreed that within one week of the effective date and for a period of two weeks thereafter it will offer to its shareholders the right to subscribe for one share of the Company as reorganized at a price of 25¢ per share for every two shares of the Company then outstanding. The Company has granted to Doherty, Roadhouse & McCuaig Bros., acting solely on behalf of its clients, the option of purchasing all or any part of those shares of the Company offered by it to its shareholders as aforesaid and which are not subscribed for within the times previously limited, at a price of 25¢ per share, one-half of said shares to be purchaseable within 90 days of the termination of the rights offering to the Company's shareholders and the balance within 180 days of such termination. Doherty, Roadhouse & McCuaig Bros., acting as aforesaid have agreed to guarantee that at least 500,000 shares will be taken up under the rights offering, said guarantee to be implemented within the 90 day option period from the termination of said rights offering.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Doherty, Roadhouse & McCuaig Bros. are acting on behalf of: Hartford Investments Limited, Bitco Building, East Street, Nassau, Bahamas, Northfield Mines Inc., 1519, 230 Park Avenue, New York, U.S.A., Assembly Mines Limited, 911, 159 Bay Street, Toronto, Deebank Limited, 416, 25 Adelaide St. West, Toronto, M.C.M. Investments Limited, 600, 250 University Ave., Toronto, Glenburk Mines Limited, 906, 357 Bay Street, Toronto, Charles Cane, 428 Lytton Blvd., Toronto, Frank H. Todd, 3000 Yonge Street, Toronto, F.G. MacLeod, 83 Alexandra Blvd., Toronto, W.S. Hall, 99 Braemar Ave., Toronto. The only persons or corporations who have a greater than 5% interest in the foregoing corporations are: Hartford Investments Limited - C.M. McNab, P.O. Box 1180, Nassau, Northfield Mines Inc. - Thayer L. Lindsley, 230 Park Ave., New York, Assembly Mines Ltd. - Murray Watts, Bayview Ridge Crescent, Toronto, Deebank Limited - Violamac Mines Limited, 416, 25 Adelaide St. W., Toronto, a public company controlled by Dickenson Mines Limited, a public company of the same address. M.C.M. Investments Limited - Murdock C. Mosher, 168 Sandringham Drive, Toronto. Glenburk Mines Limited - E.C. MacLeod, 85 Lawrence Crescent, Toronto.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company plans, to the extent that funds may be available to it, to carry out development work on its 14 patented mining claims in South Lorrain Township substantially in implementation of the various recommendations contained in the Report of E.E. Campbell, Consulting Mining Engineer and Geologist, dated November 29, 1963, submitted herewith. The purpose of the Company will be to develop additional ore in order that milling operations on its properties may be re-commenced. The proceeds received by the Company from the sale of treasury shares referred to herein will be applied firstly in the settlement of the Company's outstanding liabilities and thereafter to defray necessary administrative expenses and the cost of carrying out development work.

FINANCIAL STATEMENTS

KEELEY-FRONTIER MINES LIMITED

INTERIM BALANCE SHEET

As at November 15th.
1963

A S S E T S

CURRENT ASSETS:

Cash	\$ 10.00	
Settlements receivable	113,276.89	
Concentrates on Hand In Transit	13,500.00	
Utility Deposits	5,961.25	
Accounts Receivable	<u>80.69</u>	\$ 132,828.83

..FIXED ASSETS:

14 Mining Claims in Township of South Lorraine Temiskaming, Ontario		
Acquired For Cash	\$ 60,000.00	
and 505,000 shares of the Company's Capital Stock at <u>50,500.00</u>		\$ 110,500.00
Buildings Machinery & Equipment		<u>473,084.99</u>

DEFERRED EXPENDITURES & OTHER ASSETS

Prepaid Expenses	4,241.03	
Preproduction Expenditures	438,953.26	
Organization	3,071.15	
Commission on Sale of Capital Stock	16,500.00	
Mine Stores & Supplies at Cost	17,314.10	
Hold Backs, A.R. Construction	<u>2,201.66</u>	532,281.20
		<u>\$1,248,695.02</u>

L I A B I L I T I E S

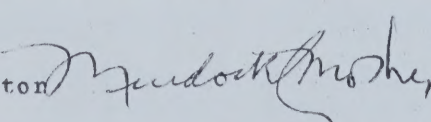
Trade accounts payable	131,566.42	
ⓧ Mechanics Liens (4 Creditors)	2,201.66	
Bank Overdraft	11,148.08	
Loans Secured (Shipments Receivable Valued at \$113,276.89)	102,434.16	
Notes Payable & Accrued Interest	44,175.07	
Wages & Employees Deductions Payable	10,178.29	
Province of Ontario Sales Tax	<u>4,679.71</u>	306,383.39

..SHAREHOLDERS EQUITY:

Capital Stock:		
Authorized 5,000,000 shares No Par Value.		
Issued:		
3,932,360 shares at August 31st 1962 For	824,847.50	
700,000 Shares since August 31st 1962	<u>325,000.00</u>	
Total 4,632,360 Shares For	\$1,149,847.50	
LESS:		
Loss on Operations For The Period	<u>207,535.87</u>	942,311.63
TOTAL LIABILITIES		<u>\$1,248,695.02</u>

Prepared from The Books of Account of the Company without Audit.

APPROVED ON BEHALF OF THE BOARD

Director  Director

KEELEY FRONTIER MINES LIMITED

INTERIM STATEMENT OF OPERATIONS FOR THE PERIOD JANUARY 19, 1962
To
NOVEMBER 15th, 1963

REVENUE AND INCOME:

Production of Silver Concentrates Metallics and Flotation	\$ 346,503.71
Less: Smelter & Other Costs	<u>12,616.68</u>
Net from Production	\$ 333,887.03
Add: Other Income	
Adminis. Services Interest Earned	<u>5,014.32</u>
TOTAL REVENUE AND INCOME	\$ 338,901.35

OPERATING COSTS:

Development & Mining	\$ 248,564.73
Diamond Drilling Surface	9,413.02
Diamond Drilling Underground	20,568.95
Cobbing & Sorting	3,799.66
Tailings Reclaimed	10,628.97
Milling	98,922.41
Dewatering & Mine Preparation	183,765.26
Mine Office & General	<u>80,977.93</u>
Total Mining and Milling Operations	\$ 656,640.93
Head Office and Administration	<u>46,299.34</u>
Total Mining, Milling and Head Office	\$ 702,940.27
Less:	
Amount Transferred to Deferred Production	<u>156,503.05</u>
	\$ 546,437.22
Loss on Operations for the Period	<u><u>\$ 207,535.87</u></u>

SOURCE AND APPLICATION OF FUNDS

Cash, Securities and Interest July 1st, 1962	104,631.45
By Sale of the Company's Capital Stock	
400,000 shares @ 30¢; 200,000 @ 35¢	
200,000 shares @ 40¢; 200,000 @ 45¢	
200,000 shares @ 60¢. (1,200,000 shares)	480,000.00
By Sales of Concentrates Metallics Flotation For the Period	207,110.14
By Cash Loans and Bank Overdrafts	156,082.04
Other Income Interest and Services	<u>5,014.52</u>
Total Cash Received	\$ 952,838.15

APPLICATION OF FUNDS

Mine Building Machinery & Equipment	347,515.56
Mining & Milling Operations	488,953.26
Mining Lands	60,000.00
Commission of Sales of Company Stock	16,500.00
Head Office & Administration	26,505.21
Organization	3,071.15
Prepaid Items	4,241.03
Cash and Receivable 90.69	
Deposits Bonds 5,961.25	<u>6,051.94</u>
Total Cash Deposits and Disbursements	<u><u>\$ 952,838.15</u></u>

KEELEY FRONTIER MINES LIMITED

SCHEDULE OF HEAD OFFICE & ADMINISTRATION EXPENSES

September 1st 1962 to November 15th 1963

HEAD OFFICE & ADMINISTRATION

Auditors Fees	\$ 1,187.29
Accounting Accomodation Stenographic (6Mos)	3,000.00
Advertising	1,668.26
Bank Charges	17.70
Accrued Interest (Notes Payable)	1,675.07
Bank & Loan Interest Charges	2,499.45
Legal Expenses	10,005.61
Licenses & Fees	2,340.30
Office Salaries	7,848.39
Office Rents	3,500.00
Shareholders Reports	835.57
Stationery, Printing Postage	919.57
Telephone & Telegraph	966.27
Transfer Agent & Certificates	2,585.38
Travelling Expenses	3,300.40
General Office Expenses	308.77
Insurance Mine Buildings	3,375.00
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Total Head Office & Administration	\$ 46,133.03
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Department of Mines Ontario Property Taxes	\$ 166.31
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ENGINEER'S REPORT

Note - The following are excerpts from a report by E.E. Campbell, BSc., MSc., MA., P.Eng., dated November 29th, 1963, on the mining claims located in South Lorrain Township, Province of Quebec. A complete copy of this report is on file at the Toronto Stock Exchange.

INTRODUCTION

This report is written at the request of Mr. Murdoch Mosher and Mr. Murray Watts. Its purpose is to assess the ore potential of the properties of Keeley-Frontier Mines Limited, and if justified, to recommend a programme of exploration and development to exploit this potential. The writer has spent 8 days examining the underground workings and 14 days studying the records of past and current operations spread over the period 20 August - 28 November 1963.

Keeley-Frontier Mines Limited owns 13 contiguous claims containing about 430 acres in South Lorrain Township, Ontario. The claims include the properties of two former silver and cobalt producers, Keeley Silver Mines Limited and Mining Corporation of Canada Limited (Frontier Mine). The company also owns a solitary claim 1 1/2 miles to the south of the main group. These claims are recorded as:

HR 16	HR 68
HR 17	HR 610
HR 19	HS 39
HR 20	HS 40 (T46400)
HR 21	RL 455
HR 22	RL 456
HR 25	T32960

They are all patented.

The property is 21 miles southeast of the village of North Cobalt on the Ontario Northland Railway and on No. 11 highway; it is accessible by a good all-weather gravel road. A source of skilled labour is provided by the communities of Cobalt and Haileybury. Hydro-electric services are installed.

The record of silver production from the property is:

Keeley	12,045,343 Ozs
Mining Corporation	6,637,111 Ozs
Keeley-Frontier (to 31 Oct. 63)	<u>266,006 Ozs</u>
Total	18,948,460 Ozs.

The main references for this report are the maps and records of both past and recent operations which are contained in the mine office files. Ont. Dept. of Mines vol xxxl, pt. 2, 1922 by C.W. Knight is a useful general reference, and the files of the resident geologist at Cobalt, Dr. R. Thomson, contain some useful material. Recent reports on the property include one by W.A. Carter P. Eng., Managing Director, distributed to the shareholders on 22 July 1963, and two by Leonard G. Smith, P. Eng., dated 11 May 1960 and 26 July 1962. The last, liberally illustrated, is on

file with the Toronto Stock Exchange in listing statement No. 2125.

The writer has been employed in the Cobalt area continuously since 1949 in engineering and managerial capacities.

SUMMARY & CONCLUSIONS

1. Keeley-Frontier Mines Limited own 14 patented claims in South Lorrain Twp., Ontario, 21 miles southeast of the village of North Cobalt on the Ontario Northland Railway. The claims include the former holdings of 2 successful producers, Keeley Silver Mines Limited and Mining Corporation of Canada Limited (Frontier Mine). Total production from the property amounts to 18,948,460 ounces of silver.
2. The property covers the upper contact portion of the Nipissing diabase sill where it dips west at 15 degrees. The ore deposits occur in Keewatin rocks above the sill and in diabase near this upper contact. Significant silver has also been produced from the Keewatin rocks in the vicinity of the lower contact.
3. The ore is contained in large calcite veins which are fault fillings. Silver occurs mainly in small high grade pods of which the distribution is unusually erratic.
4. Keeley-Frontier have constructed a modern mining plant around the collar of the Mining Corporation No. 3 shaft. The plant contains hydro installations and a mill with a daily capacity of 150-200 tons. The workings of the 2 former operations have been joined on the Mining Corporation 6th and the Keeley 8th levels providing an extensive main haulageway. Operations have been confined to the vicinity of the old workings in the upper contact region of the Nipissing diabase sill.
5. The only ore reserves on the properties are 120,000 tons of tailings grading 5 ozs. of silver per ton of which 4 ozs. are recoverable. Only 30,000 tons of tailings are estimated to be above the water table which possibly can be lowered at a justifiable expenditure.
6. New sources of underground ore are essential to profitable operations.
7. The results of Keeley-Frontier operations confirm the experience of other rejuvenated mines in the district that vein systems well developed by former operators are an asset only if worked in conjunction with operations on new ore.
8. Examination of mine records and underground exposures has revealed strong evidence of Keewatin wall rock control of the distribution of ore shoots in the veins.
9. The following areas contain an unassessed potential for new ore and merit exploration and development.
 - Keeley 16-28 vein system
 - Mining Corporation No. 8 winze, lower contact
 - Little Keeley
 - Mining Corporation No. 9 vein
 - Untested areas in the west part of the property
10. Exploration and development should be guided by geological principles of wall rock control and should make liberal use of diamond drilling. The high cost of maintaining access to the underground workings demands a coordinated programme in which as much is undertaken as can be supervised efficiently.
11. Mining and milling should constitute minor roles in the programme until ore reserves have been built up to a level which assures continuity of operations.
12. The feasibility of high capacity tailings retreatment merits further study and consideration.

RECOMMENDATIONS

The following exploration and development programme, with its attendant estimated costs, is recommended:

1. Dewatering and rehabilitation of Mining Corporation No. 8 winze and the lower contact workings.

Depth: 850 feet

Estimated time: 2 months

Estimated cost:

Air hoist, installed	\$ 7,000
Bailer and pumps	1,000
Labour, 6 men	4,500
Installation of services	<u>3,500</u>

\$16,000 \$ 16,000

2. Cross-cutting at about the 900 ft. level in No. 8 winze to the Keeley 16-28 vein system and drifting west to the area of diamond drill intersections.

Cross-cutting: 1300 feet

Drifting: 1200 feet

Estimated time: 12 months

Estimated cost, excluding services, @ \$18 \$ 45,000

3. Provision of 2 underground diamond drill stations, Little Keeley.

Cross-cutting: 500 feet

Estimated time: 3 months

Estimated cost, excluding services, @ \$16

\$ 8,000

Rehabilitation of access

2,000

\$10,000 \$ 10,000

4. Allowance for follow-up development \$ 60,000

5. Diamond drilling.

Duration of programme: 12 months

Tempo required: 3 machines, 2 shifts per day

Keeley 16-28 vein system 3000 feet

8 winze, lower contact 10000 feet

Little Keeley 4000 feet

No. 9 vein 3000 feet

Untested areas to west 10000 feet

Allowance for follow-up 10000 feet

40,000 feet

Estimated cost, excluding services, @ \$3 \$120,000

6. Maintenance of services and technical supervision, 12 months @ \$12,000

\$ 144,000

7. Allowance for study and lowering the water table in the tailings deposits.

5,000

TOTAL ESTIMATED COST

\$ 400,000

E. E. CAMPBELL

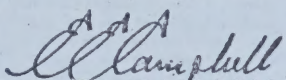
MINING ENGINEER & GEOLOGIST

HAILEYBURY, ONT.

CERTIFICATE

I, E.E. Campbell, with business and residential address in the town of Haileybury, in the Province of Ontario, do hereby certify that:

1. I am a consulting engineer in mining and geology.
2. I am a graduate of Queen's and Harvard Universities; I hold the degrees of BSc (Mining honours 1946), and MSc (Geology 1948) from Queen's, and MA (Economic Geology 1949) from Harvard.
3. I am a registered Professional Engineer of the Province of Ontario.
4. For the past 14 years I have worked in the Cobalt-Gowganda-South Lorrain district of Ontario in engineering, geological, and managerial capacities.
5. This report is the outcome of personal examination of the property and records of Keeley-Frontier Mines Limited.
6. I own 4000 shares of stock in Keeley-Frontier Mines Limited purchased in the open market prior to 20 June 1963. I do not anticipate receiving any further shares or other interest in the securities of Keeley-Frontier Mines Limited.


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E.E. Campbell BSc, MSc, MA, P. Eng.

Haileybury, Ont.
29 November 1963.

10. Brief statement of company's chief development work during past year.	See Report of E.E.Campbell, Consulting Mining Engineer and Geologist, dated November 29, 1963, submitted herewith.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not Applicable
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Thomson Kernaghan & Co.Ltd. 614,700 shares 365 Bay Street, Toronto,Ontario</p> <p>Jenkin Evans & Company Limited 352,150 shares 360 Bay Street, Toronto,Ontario</p> <p>Doherty Roadhouse & McCuaig Bros. 335 Bay Street, Toronto,Ontario 269,550 shares</p> <p>Doherty Roadhouse & Company 335 Bay Street,Toronto,Ontario 235,775 shares</p> <p>Murdoch C.Mosher 271,002 shares 67 Yonge Street, Toronto</p> <p>(The beneficial owners of shares registered in brokers' names is not known save that Murdoch C.Mosher beneficially owns 460,000 shares of the Company.)</p>
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	There is no person who, by reason of shareholdings or of any agreement, is in a position to elect or cause to be elected a majority of the directors of the Company and thereby to control it. However, on a solicitation of proxies, present management may be in a position to effect control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Not applicable
18. Brief statement of any lawsuits pending or in process against company or its properties.	The Company is also defendant in two Division Court actions involving some \$150.00. See item 5 hereof.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. Shares of the Company covered by the Underwriting-Option Agreement set out in Item 6 will be in the course of primary distribution to the public.

CERTIFICATE OF THE COMPANY

DATED December 10, 1963

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"M.C. Mosher" by: M.C. Mosher CORPORATE SEAL
 "F.H. Todd" F.H. Todd Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DOHERTY, ROADHOUSE & MCCUAIG BROS.
 By: J.M. Rogers
 "J.M. Rogers"